

JENNIFER M. GRANHOLM GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES LANSING

REBECCA A. HUMPHRIES
DIRECTOR

September 30, 2005

The Honorable Michelle McManus, Chair Senate Appropriations Subcommittee on Natural Resources State Capitol P.O. Box 30036 Lansing, Michigan 48909-7536 The Honorable Howard Walker, Chair House Appropriations Subcommittee on Natural Resources State Capitol P.O. Box 30014 Lansing, Michigan 48909-7514

Dear Senator McManus and Representative Walker:

Pursuant to Section 806, PA 347 of 2004, enclosed is a report on the Department of Natural Resources' (Department) plans and efforts to address factors limiting management of timber.

If you have questions regarding this report, please feel free to contact me.

Sincerely,

Sharon M. Schafer, Chief Budget and Support Services 517-335-3276

#### **Enclosure**

cc: Senate Appropriations Subcommittee Members

House Appropriations Subcommittee Members

Ms. Jessica Runnels, Senate Fiscal Agency

Dr. Kirk Lindquist, House Fiscal Agency

Ms. Mary Lannoye, Department of

Management and Budget (DMB)

Mr. Jacques McNeely, (DMB)

Ms. Jennifer Harrison, DMB

Director Rebecca A. Humphries, DNR

Mr. Dennis Fox. Chief of Staff. DNR

Mr. Dennis Fedewa, Chief Deputy, DNR

Ms. Arminda Koch, Resource Management Deputy, DNR

Mr. Rodney Stokes, Legislative Liaison, DNR

Ms. Jane Schultz, DNR

# Department of Natural Resources Plans and Efforts to Address Factors Limiting Management of Timber

#### **Prescribed and Planned Timber Harvest Treatments**

Department of Natural Resources (Department) staff develop work plans each fiscal year to implement activities on the state forest system that have been approved through the resource assessment and inventory process. Work plans for commercial timber sales on the state forest system are developed by the Forest, Mineral, and Fire Management Division, based on the resources and time available to accomplish the work during the fiscal year. The fiscal year Plan of Work (POW) for timber sales details which forest stands will be prepared for sale. Sale preparation includes sale layout, volume and product estimation, value calculations and developing the sale prospectus and bid information.

In Fiscal Year 2003-2004, timber harvest treatment was approved for 69,110 acres on state forest lands. The POW for FY 2003-2004 was comprised of 62,088 acres, as shown in Table 1.

Table 1
Fiscal Year 2003-2004 Plan of Work

Description	Acres
Total approved prescribed harvest treatments	69,110
Acres not planned, no resources	3,795
Acres not planned, added during the year	3,227
Acres planned, resources available	62,088

Timber sales were prepared for 60,730 acres<sup>1</sup>, or 98% of the acres scheduled on the POW in Fiscal Year 2003-2004.

#### **Hardwood Timber Treatment**

Year of Entry (YOE) 2003 included treatments or prescriptions for 33,304 hardwood<sup>2</sup> acres. YOE 2004 included treatments or prescriptions for 40,129 hardwood acres. This 20% increase over YOE 03 was much higher than the 10% increase targeted in statute.

<sup>&</sup>lt;sup>1</sup> These POW acres correlate to 55,074 acres on proposals for bid in the timber sale tracking system (Tsale). The difference (5,656 acres) is comprised of minor acreage adjustments (stand boundary changes—3 %), and other physical and biological factors that prohibited treatment (fens, swales, steep slopes, too wet, etc.—6 %).

<sup>&</sup>lt;sup>2</sup> Hardwood cover types include aspen, birch, mixed northern hardwoods, oak, and lowland hardwood.

### **Factors Limiting Management of Timber and Efforts to Address Factors**

An accounting of factors that impact timber availability on state forest lands was begun with a Silvicultural Analysis (SA) project in 1999. This initial attempt was further refined by a peer review analysis of the project's methods, as well as a comparison of the SA projections to actual on-the-ground conditions.<sup>3</sup> The comparison found that, given the Department's silvicultural criteria and standards, the SA over-estimated timber availability on state forests.

The most common factors limiting timber management documented by the SA were as follows:

- The land was too wet
- Insufficient age or size diversity of the forest
- Potential old growth (biodiversity)
- Low stocking, diameter
- Regeneration concerns

Many forest stands have multiple limiting factors. Although there may be a primary barrier to commercially harvesting a forest stand, there will typically be multiple limiting factors to be resolved before a commercial harvest treatment may occur. Some limiting factors may be temporary, while others may be more permanent. For example, age and size diversity refers to maintaining a balanced range of forest types in all stages of growth. This provides a sustainable even flow of forest benefits, particularly timber and wildlife habitat, and a diversity of forest covers over time. A forest stand that is not cut in one ten-year cycle may be cut in the next ten-year cycle to maintain forest diversity.

The Department is taking several strategic steps to address factors limiting timber availability including:

- Development of Geographic Information Systems (GIS) layers that correspond to limiting factors. This data will improve analysis and help validate the nature, magnitude, and trends related to limiting factors.
- Development of habitat information (Kotar system) and timber growth and yield projection capabilities to refine timber availability analysis.
- Development of an old growth and biodiversity stewardship strategy that identifies biological and social values and compatible forest treatments.
- Establishment of an interdisciplinary Vegetative Management Team (VMT) to examine technical silvicultural issues in an ecosystem context.
- Creation, in 2005, of a broad-based, twenty-member interdisciplinary forest advisory group to advise the Department on statewide forestry issues and state forest system concerns.
- An annual review of road, bridge, and land survey projects. Priorities and costs will be identified to most effectively use resources.

<sup>&</sup>lt;sup>3</sup> These findings are in the *Silvicultural Analysis Review Team Final Report*, Peer Review Committee, May 2003 and *Developing Sustainable Forestry in Michigan: Assessing Timber Availability from State Forest Land*, Larry Pedersen, August 2003.

In addition, the Department is working with Minnesota, Wisconsin, the Great Lakes Forestry Alliance, and the United States Department of Agriculture Forest Service on developing non-industrial private forest lands (family forest) forest certification methodologies. This is supplemental to Department efforts to increase active management and timber harvesting on family forests.

Finally, the Department is working toward third-party forest certification by January 1, 2006, for the 3.9 million acre state forest system. This effort is essential in order for primary wood producers in Michigan to have continued access to national and international markets. The investment the Department is making in forest certification will strengthen Michigan's forest products sector.